Ex post evaluation – Rwanda

Sector: Health policy and administrative management (CRS Code 12110)
Project: Health care sector budget financing (I) BMZ No. 2006 66 289* and (II) 2009 65 467*
Programme executing agency: Ministry of Health, Rwanda

Ex post evaluation report: 2014

		(I) (Planned)	(I) (Actual)	(II) (Planned)	(II) (Actual)
Investment costs (total)	EUR million	8.10	8.10	5.00	5.00
Cofinancing	EUR million	No info**	No info**	No info**	No info**
Funding	EUR million	8.10	8.10	5.00	5.00
of which BMZ budget funds	EUR million	8.10	8.10	5.00	5.00

*) Random sample 2014; **) Unfortunately the contributions made by the other financers of sector budget financing cannot be depicted on account of the wide differences in exchange rates. On average, Rwanda has roughly USD 10 million available per year from this sector financing.

Description: The budget financing was designed to help the Rwandan government implement its "Health Sector Strategic Plan II" (HSSP) as part of a sector-wide approach. In particular, the reform programme was to contribute to providing health services of an appropriate quality focusing on improved access for the poor population, especially in rural areas. This was also designed to help prevent and treat HIV/AIDS. As part of this sector programme, Belgian and British development partners were involved in financing annual amounts to the health sector budget alongside German development cooperation. Furthermore, a Capacity Development Pooled Fund was set up at the Ministry of Health, to overcome personnel shortages in the ministry at both centralised and decentralised level.

Objectives: The overall objective of the sector programme was to make a contribution to improving the health of the Rwandan population. Three programme objectives were defined: (1) the Rwandan health system to focus more on the needs of the poor population in particular; (2) the target groups to make increased use of reproductive health services, especially family planning and (3) the Rwandan population to have a greater supply of better-trained medical staff at their disposal.

Target group: Besides the population of specific target regions for German DC, the target group of the sectoral programme was the entire population of Rwanda.

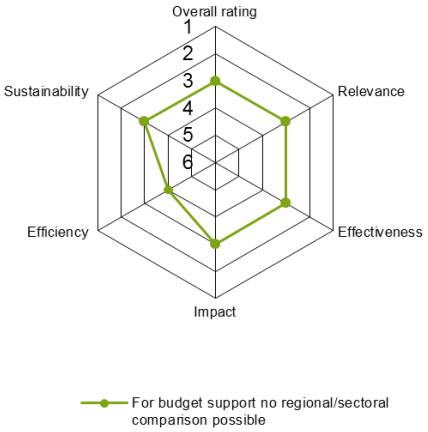
Overall rating: Note 3 (both projects)

Rationale: The developmental impact of the project is rated satisfactory overall. The defined indicators attest to a good achievement of the targets. However, it was not possible to allocate the identified developments unambiguously given the massive donor support outside of the sectoral programme.

Highlights: The ex post evaluation was able to build upon the 2014 sectoral evaluation of DEval (German Institute for Development Evaluation), which presented a very comprehensive picture of the health situation based on extensive surveys and local field studies.

The potential efficiency gains with a budget aid project were barely realised because of the simultaneous funding of many individual projects (roughly 94% of the sectoral donor contributions).

The indicators defined at national level to measure the achievement of the sectoral programme are not suitable (the focus was on improving health services in rural areas).



Rating according to DAC criteria

Overall rating: 3 (both projects)

General conditions and classification of the project

As both projects mentioned here have contributed financially to the same health sector strategy and also because both projects were evaluated by a common appraisal report, the impacts of both projects are evaluated ex-post together below. In addition to this health sector strategy plan, German FC also supported the national economic development and poverty reduction strategy (general budget support) with various contributions, which were evaluated ex-post at the same time.

Relevance

The sector budget support programmes discussed here was initiated to support the health care sector objectives in the national economic development and poverty reduction strategy (EDPRS, 2008-2012), and the health sector strategic plan II (HSSP 2009-2012) derived therefrom. With EDPRS and HSSP II the Rwandan government consistently wanted to continue the policies implemented in the years before to improve the health situation and reduce the population growth. At the time of the project appraisal (2008) Rwanda could already look back on positive economic and social development since the genocide in 1994; this trend was partly facilitated by a general reform programme planned and implemented consistently by the government. Nonetheless, Rwanda still counted as one of the poorest countries in Africa south of the Sahara, shown amongst other things by a high child mortality rate of 152/1,000 live births and a high maternal mortality rate of 750/100,000 live births (DHS 2005). Additionally, efforts failed to decrease the very high fertility rate of 6.1 births per woman (DHS 2005). EDPRS as well as HSSP II set ambitious targets for the country that were designed to ensure the Millennium Development Goals could be achieved for all health-related indicators. These ambitious development strategies of the country for the period until 2012 included the main, internationally accepted developmental goals. Apart from that, the programme's direction is consistent with the objectives of German development policy, and therefore with the priorities of national and global development policy.

This positive appraisal of the relevance of the programme is restricted by the fact that the added value of the sector budget support programme cannot be identified, at least not in the available documents. The appraisal reports of both projects as well as the programme objectives are strongly geared to the sectoral approach particularly in rural areas offering health services of an adequate quality and improving access for the poorer population, especially in rural areas. One would therefore expect that specific reforms should be supported which improve health care services in rural areas and can facilitate the access of the poor rural population. The available documents do not show which specific reforms were supported in this respect. There was also no mechanism to ensure that at least a large part of the resources was dedicated for rural areas and for the poor population.

One other obstacle to the positive evaluation of relevance is due to a simultaneous general budget financing programme funded through German FC with partly the same objectives and indicators, yet without a clear distinction in the documents as to how these two budget support approaches were separated from one another in a complementary fashion. For instance, a reform strategy in the area of public finance management (PFM) was supported with an accompanying measure of the general budget financing programme, but it is not clear in the documents to what extent this reform strategy also led to an improvement in financial management and in procurements by the Ministry of Health. Furthermore, the added value of combining general budget support with sector budget support is not clear.

If we then note that during the programme implementation most of the development funding for the health sector was still financed on project basis, and only 6.25 % of the donor contributions for the health sector were financed via sector budget support (DEval), we get the impression – in light of the unapparent connection between project and sector approaches – that the very complex implementation of a sector budget support programme in the development might only have been supported to fulfil international harmonisation requirements. For the Rwandan partners, however, the transition to using national systems, which was enabled by the sector budget approach, was particularly important.

Due to these limitations, the relevance of the sector budget support is only rated as satisfactory.

Relevance rating: 3 (both projects)

Effectiveness

The attainment of the programme objectives defined at the programme appraisal (PA) was to be reviewed with the help of the following five indicators that were not modified over time:

Indicator	Status PA	Target values 2012	Ex post evaluation*
(1) Percentage of population with health insurance	81 %	95 %	91 %
(2) Utilisation rate of curative services outside of Kigali	0.5 %	0.6 %	No info
(3) Percentage of women using modern contraceptives	27 %	50 %	More than 45 %
(4) Percentage of professionally assisted births	52 %	75 %	More than 69 %
(5) Number of primary and secondary health services offering the basic package	10 %	100 %	More than 95 %

*) The values in the ex-post evaluation are based on the last DHS in 2010. Given the improvement dynamics in past years, further improvements can be predicted for 2012, however, these will only be visible in the DHS planned for 2015.

The achievement of objectives after 2010 can only be validated definitively after the DHS planned for 2015. The indicators reviewed by 2010 reveal such a great improvement that it can be assumed these ambitious target values will also be attained or even exceeded in 2012. Additional central parameters verify extensive improvements between 2008 and 2011.

It is important to ask whether the successes measured on the indicators can be attributed to the programme mentioned here. The information and documents available do not permit such a conclusion. The changes measured by these indicators were strongly influenced by many contributions of other bilateral and multilateral donors that did not flow into the sector budget support; these constitute about 94 % of donor resources for the health care sector. Additionally the cross-sectoral general budget support programme was supposed to support the health sector: three out of five indicators of the sector budget support programme are used there. Furthermore, with regard to the German contribution it should be mentioned that almost half of this contribution was not used as intended, but lay unused on a separate national account for more than two years. The designated use was then decided on separately, bilaterally and in accordance with the sectoral objectives (equipment for hospitals and health centres). This indicates that the capacity to absorb contributions was not consistent with the available donor resources, and that it was overestimated in general.

The limited effects of the sector budget programme on a decentralised level, as criticised by DEval (2014), indicate further, important limitations for the positive changes derived from the indicators. The indicators

defined for the sector programme only capture nationwide trends and were not able to examine the improvement in the supply and quality of health care services in rural areas, nor the accessibility for the local, poorer population that was supposed to be prioritised according to the appraisal report.

Due to evidence of limited effectiveness the sector budget support on a decentralised level and its effectiveness – despite outstanding national values – is only rated as just satisfactory.

Effectiveness rating: 3 (both projects)

Efficiency

Efficiency is usually measured by looking at the relationship between use of inputs and the achieved outputs or outcomes. In this particular project, this relationship cannot be established because although the input level is more or less known, these inputs cannot be assigned to their outputs or outcomes, because parallel to the input, Rwandan partners as well as various other donors made much greater contributions for the very same purpose. Accordingly, the criteria of efficiency can barely be used meaningfully to assess a programme of sector budget support.

On the other hand, one might assume that sector budget support programmes are more efficient than supporting individual projects because they can contribute to a reduction in transaction costs. However, this effect would probably only materialise if all development partners agreed on this modality. This desired reduction in transaction costs did not occur in this case because key donors were not involved in the sector budget support at all, while others have spent large parts of their development assistance payments on small individual projects, despite participating in sector budget support. From a national perspective they tried to moderate the inefficiencies that resulted from uncoordinated sector project and programme activities, using a type of forced integration into the sector strategy (SwAP). This, however, is not a direct effect of sector budget support.

Apart from that, we should note that the reduction in the budget support programme's transaction costs will most likely come into effect only in the medium to long term, because such complex programmes initially require substantial investment in constructing a transparent implementation structure, which can only be amortised in the course of the programme with the resulting benefits with respect to transaction costs. If the long-term support of the sector budget support programme cannot be secured by the donors, or if, as in this case, the Rwandan government does not want any more support for the health sector by German DC after such a short period of sector budget support, the initial investments can unfortunately not be compensated by potential subsequent savings in transaction costs. This affects the German participants in particular. By contrast, the Rwandan side could most likely save on general transaction costs due to the establishment of sector budget support and the reduction of donors in individual sectors.

On a positive note, the use of national tender and procurement procedures strongly supported by the sectoral approach as well as the improvement in national capacities both contributed to certain efficiency gains. However, overall efficiency is rated as being no longer sufficient.

Effectiveness rating: 4 (both projects)

Impact

The achievement of the overall objectives defined at the programme appraisal for the sectoral programme was to be reviewed with the help of the following three indicators:

Indicator	Status PA	Target values (planned for 2012)	Ex-post evaluation
(1) Reduction in infant mortality rate (per 1,000 live births)	86	50	37**

(2) Stabilisation of HIV seroprevalence among general population (15-49 years, in %)	3.1	3.0	2.9
(3) Reduction in overall fertility rate, live births/woman (15-49 years)	6.1	4.5	4.6

*) The values in the ex-post evaluation are based on the last DHS in 2010. Given the improvement dynamics in past years, further improvements can be predicted for 2012, however, these will only be visible in the DHS planned for 2015. **) 2013, World Bank.

The developments in the three indicators to evaluate the overall objective reveal such a great improvement that it can be assumed these planned changes will be attained or even exceeded in 2012. More detailed information will be revealed by the DHS planned for 2015. The improvement in values for measuring the overall objective before/during the implementation of the programme support is considered a very positive development.

However, the question of where the results can be attributed to also arises in this context. Sector budget support had a relatively limited financial role in comparison to the overall German engagement in the health care sector, and particularly in comparison to the considerable resources that have been used in the same period for the projects supported by other development partners. This means that the contribution made by the sector budget support approach was rather low in terms of its financial volume, and there are no indications that its efficiency was disproportional in any way. As a result, the overall developmental impact is rated satisfactory, despite the fulfilled target values.

Impact rating: 3 (both projects)

Sustainability

In terms of the sector budget support programme's sustainability, three different forms of sustainability have to be distinguished. The assessment of financial sustainability, i.e. the guarantee that Rwandan partners will be capable of undertaking the financing of a similar programme in future, is clearly negative at the moment. A substantial part of state spending is still financed by contributions from development partners. In 2011 and 2012 some 73 % of state spending on health was financed by bilateral and multilateral donors (Ministry of Health, Rwanda Health Resource Tracker 2013). Rwandan funds are not yet even close to being sufficient to take over the large proportion of investments made by development partners for state spending in the health sector. However, it can be assumed that donor support will be available in the coming years too, albeit not to the same extent as in the past decade.

Even after the DEval investigations we cannot give an unequivocally positive answer to whether the improvements in the qualifications of employees in the Ministry of Health will be sustained, i.e. institutional sustainability will be achieved, given the substantial fluctuation in personnel at management level and the still limited qualifications of staff at lower levels of the central hierarchy and the decentralised units.

Thus the question of whether the programme's effects can be secured in the long-run, i.e. impact sustainability, cannot be definitively clarified. Even with the limited resources of sector budget support, but above all with the poverty reduction and economic development strategy financed by key additional contributions, there is no doubt that some sustainable changes were achieved that will continue to have an impact in the long run: for instance, the improvement in the health situation, the reduction in the birth rate and the improvement in health infrastructure. However, health care infrastructure in particular needs sustainable financing to secure the achieved results, such as maintenance activities and reinvestment for example.

To sum up, securing financial sustainability can be rated as just satisfactory from today's perspective, while institutional sustainability and impact sustainability are satisfactory.

Sustainability rating: 3 (both projects)

Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being **relevance, effectiveness, efficiency** and **overarching developmental impact**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Ratings level 1-3 denote a positive assessment or successful project while ratings level 4-6 denote a negative assessment.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Ratings 1-3 of the overall rating denote a "successful" project while ratings 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (rating 3).